



ENERGY ASSURANCE DAILY

Wednesday, May 17, 2006

Electricity

Update: TXU Restarts 1,480 MW at Four 'Mothballed' Units in North Texas

The company has restarted three units totaling 1,115 MW at the Valley Power Station and one 365 MW unit at the North Lake Power Station. The four units were among eight shut in late 2004 due to rising natural gas prices which made them too expensive to run. The units were revived this month in advance of the summer, when demand typically peaks.

Reuters, 10:54 May 17, 2006

STPNOC's 1,280 MW South Texas Project 2 Nuke Unit in Texas Reduced to 95 Percent May 15

The unit was reduced to address a valve problem.

Reuters, 16:59 May 16, 2006

LCRA's 598 MW Fayette 2 Coal-fired Unit in Texas Shut Briefly May 16

Lower Colorado River Authority (LCRA) said the outage occurred while technicians were transferring data files over the company's computer network. The network became so overloaded that it did not allow the computer that controls the boiler to communicate with its management system processor, causing the system to trip.

Reuters, 08:18 May 17, 2006

Update: AEP's 675 MW Coal-fired Pirkey Unit in Texas Restarts May 17

Reuters, 08:51 May 17, 2006

Update: CMS Energy's 767 MW Palisades Nuke Unit in Michigan Restarts May 17

The unit exited an outage and ramped up to 23 percent today after being shut on May 11 to fix a problem with a dropped control rod.

Reuters, 07:29 May 17, 2006

Update: Bruce Energy's 790 MW Bruce B Nuke Unit in Ontario Restarts May 16

The company shut the unit on May 14 for unplanned reasons.

Reuters, May 17, 2006

OPG's 494 MW Lambton 2 Coal-fired Unit in Ontario Restarts May 17

Reuters, 08:32 May 17, 2006

Governor Bush Approves Plan for New 300 MW Power Plant in Florida

The Florida Municipal Power Agency plans to build the 300 MW gas-fired plant in St. Lucie County. The plant should begin producing electricity by the fall of 2008.

<http://www.platts.com/Electric%20Power/News/7462404.xml?p=Electric>

Petroleum

Kinder Morgan's El Paso-Tucson Fuel Pipeline to Increase Flow by 41,000 b/d

The U.S. Department of Transportation has said that Kinder Morgan may now increase flow from 106,000 b/d to 147,000 b/d on its fuel pipeline which runs from El Paso, Texas to Tucson, Arizona. DOT would not allow Kinder Morgan to run the pipeline at full capacity after a section of line ruptured 3 years ago, spilling 52,000 gallons of gasoline and causing a statewide shortage. Kinder Morgan has since refurbished the pipeline.
Reuters, 16:04 May 16, 2006

Update: Wynnewood, Oklahoma Refinery Running at 70 Percent After Fire

Wynnewood Refining Co. said the refinery is running at 40,000 b/d, down from its total 55,000 b/d capacity, after a fire May 12 in the alkylation unit. The company is allowing the fire to continue to burning at a controlled level in order to destroy any remaining hydrocarbons.
Reuters, 17:20 May 16, 2006

Update: PdVSA's 200,000 b/d Puerta La Cruz Refinery in Venezuela Still Shut

On May 17, Venezuelan state-oil company Petroleos de Venezuela said gasoline-making units at the plant were still not operating after a May 14 power outage which led to a small and shut the refinery. The company says that fuel deliveries have not been affected but the refineries inventories have been drawn down. Venezuela supplied 11 percent of total U.S. petroleum product imports in 2005.
Bloomberg, 08:48 May 17, 2006

OPEC Says It Has Adequate Spare Capacity

OPEC says that its spare capacity is sufficient to allow inventories to rise and that bottlenecks in the refining industry are the cause of today's high oil prices. OPEC, which produced over 31 million b/d in 2005, says that its spare capacity will be 3 million b/d this year. This figure does not match IEA's estimate, which puts OPEC's spare capacity at 1.7 million b/d. IEA's estimate does not take into account unused capacity in Iraq, Venezuela, Indonesia or Nigeria because the agency doesn't believe that those countries can be relied on to boost capacity on short notice.
Bloomberg, May 17, 2006

Natural Gas

Maritimes Files Pipeline Expansion to Support Canaport LNG Import Terminal in Canada

Maritimes & Northeast Pipeline filed an application with FERC to expand its pipeline by 418,000 Dth/d. This expansion included five new compressor stations in Maine.
<http://intelligencepress.com/>

Nigeria LNG Still Meeting Commitments Despite Attacks

Nigeria LNG, a joint venture between the state oil company, Shell and others, continues to meet its delivery commitments despite a series of rebel attacks earlier this year which have curtailed supplies in the country. The Movement for the Emancipation of the Niger Delta (MEND), the group responsible for the attacks, has threatened to attack Nigeria LNG's Bonny Island export terminal. In February, Nigeria exported 3,053 MMcf/d of LNG to the United States.
Bloomberg, May 17, 2006

Other News

United Steelworkers Union Strikes Against Nuclear Fuel Facility in Erwin, Tennessee

The facility currently produces fuel used at TVA's Browns Ferry nuclear power plant in Alabama.
http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6686672

BNSF Coal Train Derails in Iowa May 12

Early Friday morning last week, 16 coal cars of a BNSF (Burlington Northern Santa Fe) train derailed. The train was traveling near Fort Madison Iowa on its way to the St. Louis area from the Powder River Basin in Wyoming. The cause of the derailment is under investigation.
<http://www.dailydem.com/articles/2006/05/15/news/news1.prt>

DHS Proposes New Rules to Prevent Terrorist Attacks on U.S. Ports

<http://www.washingtonpost.com/wp-dyn/content/article/2006/05/16/AR2006051601375.html>

Energy Prices

U.S. Oil and Gas Prices May 17, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	69.00	72.15	48.97
NATURAL GAS Henry Hub \$/Million Btu	6.15	6.50	6.41

Source: Reuters

Energy Notes

10,000 Lost Power in Tennessee on May 13

<http://www.gallatinnewsexaminer.com/apps/pbcs.dll/article?AID=/20060516/COUNTY090101/60516025>

With Prices Rising, Rush to Drill for Natural Gas is on in Tennessee

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6686090

US Won't Use Yucca Mountain to Store Unrecycled Waste Says Domenici Administration Willing to Continue Storing Waste Temporarily

<http://www.platts.com/Nuclear/News/7462400.xml?p=Nuclear/News&sub=Nuclear>

<http://www.newsday.com/news/nationworld/wire/sns-ap-nuclear-waste,0,7453246.story?coll=sns-ap-nationworld-headlines>

Crude Loadings at Sture and Mongstad Terminals in Norway Unaffected by Tug Boat Pilots' Strike

Reuters, 10:30 May 17, 2006

Bolivian Government Moves Closer to Gaining Control of 3 Foreign Energy Companies

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=6682847

Venezuela's Assembly Approves Higher Oil Royalties on Foreign Companies

Bloomberg, May 16, 2006

Mexico Energy Min Sees 3.5 Percent Increase in Oil Output in 2007

Reuters, 16:37 May 16, 2006

Canadian Oil Output Expected to Double to 4.9 Million b/d by 2020 – Producers

Bloomberg, 13:28 May 17, 2006

IEA Stocks Could Cover Complete Iranian Oil Cutoff for Four Years – DOE

Reuters, 16:25 May 16, 2006

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

Please direct comments and questions to: ead@oe.netl.doe.gov